



LAW OFFICES
LIMITED LIABILITY PARTNERSHIP

WILMINGTON, DE
LOS ANGELES, CA
SAN FRANCISCO, CA
NEW YORK, NY
HOUSTON, TX

919 NORTH MARKET STREET
17th FLOOR
P.O. BOX 8705
WILMINGTON
DELAWARE 19899-8705

TELEPHONE: 302.652.4100
FACSIMILE: 302.652.4400

LOS ANGELES
10100 SANTA MONICA BLVD.
13th FLOOR
LOS ANGELES
CALIFORNIA 90067-4003
TELEPHONE: 310.277.6910
FACSIMILE: 310.201.0760

SAN FRANCISCO
ONE SAN SOME STREET
34th FLOOR, SUITE 3430
SAN FRANCISCO
CALIFORNIA 94104
TELEPHONE: 415.263.7000
FACSIMILE: 415.263.7010

NEW YORK
780 THIRD AVENUE
34th FLOOR
NEW YORK
NEW YORK 10017-2024
TELEPHONE: 212.561.7700
FACSIMILE: 212.561.7777

TEXAS
440 LOUISIANA STREET
SUITE 900
HOUSTON
TEXAS 77002-1062
TELEPHONE: 713.691.9385
FACSIMILE: 713.691.9407

Laura Davis Jones

September 8, 2023

302.778.6401
ljones@pszjlaw.com

Honorable Craig T. Goldblatt
United States Bankruptcy Court
824 North Market Street
Wilmington, DE 19801

**Re: First Guaranty Mortgage Company, et al.
Case No. 22-10584 (CTG)**

Dear Judge Goldblatt:

In response to the Court's invitation to comment on the Court's proposed form of order granting Relator's motion, please find enclosed the proposed changes suggested by the Liquidating Trustee. These changes have been adopted by counsel for the PIMCO Defendants and Cash Flow DIP Lender.

Should the Court have any questions, counsel is available at the Court's convenience.

Respectfully submitted,

/s/ *Laura Davis Jones*

Laura Davis Jones

LDJ:irl
Enclosures

| Draft Liquidating Trustee 9/8/23

| Proposed Text of Crutcher Modification Order

Upon consideration of Kari Crutcher's Renewed Motion for Limited Relief From the Plan Injunction [D.I. 897] (the "Motion") and the objections thereto, the Court having considered the Motion, the evidence offered in support thereof, and the arguments of counsel at the September 5, 2023 hearing, and it appearing that (a) this Court has subject-matter jurisdiction over this proceeding under 28 U.S.C. § 1334; (b) this is a core proceeding such that this Court has statutory authority

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~~Page 2 of 3~~ to hear, determine, and enter this order, or any other appropriate order or judgment, under 28 U.S.C. § 157; (c) the Court has constitutional authority to enter this order or any other final order or judgment in this proceeding; (d) venue of this proceeding in this Court is proper under 28 U.S.C. § 1409; (e) sufficient notice of, and opportunity for a hearing, on the Motion has been given; and (f) there is cause for modifying the Plan Injunction,

It is HEREBY ORDERED that:

1. The Plan Injunction is lifted to the extent set forth herein:
 - a. Crutcher may proceed in the action captioned *United States ex rel. Kari Crutcher v. First Guaranty Mortgage Corporation*, No. 16-cv-3812-TWT (N.D. Ga.) (the “FCA Lawsuit”); ~~against~~ First Guaranty Mortgage Corporation (“FGMC”), which shall be, in such action, a defendant in name only, solely for the purpose of permitting Crutcher to seek to obtain either (a) a judgment (whether following a trial or by default) that might be enforced against ~~available~~proceeds of policies of insurance ~~proceeds~~and reinsurance issued to FGMC under which FGMC is a covered person or named assured (“Available Insurance Proceeds”), if any, or (b) a settlement that might be paid by any insurer(s) under polices issued to FGMC that agree(s) to provide a defense.
 - b. The Plan Injunction remains in full force and effect with respect to any effort to recover against any property of the bankruptcy ~~estate~~estates of the Debtors other than Available Insurance Proceeds, or to impose any liability on or recover against the ~~liquidating trust~~Liquidating Trust (as

| defined in the Confirmation Order [D.I. 671]) or any of its non-insurance
assets.

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2. Nothing in this Order is intended to affect, in any way, any potential motion to transfer the venue in which the FCA Lawsuit might proceed.

3. Nothing in this Order shall alter or affect the rights or obligations of any party, to the FCA Lawsuit or any dispute, insurer or reinsurer with respect to policies under which FGMC is a covered person or named insured/assured regarding the terms and availability (or not) of insurance coverage.

4. Nothing in the Order shall require the Liquidating Trustee (as defined in the Confirmation Order) to expend any resources or assets related to the FCA Lawsuit or any related litigation, or otherwise limit or affect the rights or obligations of the Liquidating Trustee under the Confirmation Order and liquidating trust agreement in any way.

5. Nothing in this Order requires the Liquidating Trustee or the Liquidating Trust to incur costs associated with discovery or litigation related to the FCA Lawsuit, including any insurance coverage litigation.

6. Nothing in this Order shall modify or affect, in any way,
the Court's *Order Granting Motion of the PIMCO Parties to Enforce the*
Chapter 11 Plan and Confirmation Order, dated September 5, 2023,
[D. I. 951].

7. 4. Notwithstanding any procedural rule to the contrary,
this Order shall become effective and enforceable immediately upon its
entry.

8. 5. This Court retains jurisdiction of any matter arising from
or relating to this Order or its interpretation or implementation.

~~To the extent that any of the parties would like to propose changes or
improvements to the wording of this draft order for the purpose of lending greater
clarity or better giving effect to the Court's intent, the parties are invited to submit a
letter indicating the proposed changes by noon on September 8, 2023.~~

Sincerely,

~~Craig T. Goldblatt
United States Bankruptcy Judge~~

Document comparison by Workshare 10.0 on Friday, September 08, 2023
11:25:53 AM

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Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

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